

CITY OF SAN DIEGO
GREEN BUILD BARRIO LOGAN PROJECT
HUD 108 LOAN # B-03-MC-06-0542-B
CANCEL CAMP HOPE PROJECT

I. ORIGINAL PROJECT DESCRIPTION AND INFORMATION

In April 2002, the San Diego City Council authorized the establishment of the San Diego Family Justice Center, a unique cooperative venture that provides a variety of services in one location for victims of domestic violence and abuse. The Family Justice Center Foundation, a non-profit organization established to implement the center's programs, saw a need for Camp Home, a camping facility for families whose lives had been devastated by domestic violence. The original project was the construction of a camping facility for 60-75 campers on a 12.83 acre City-owned site at Lake Southerland. The improvements were to include a lodge, 6 cabin style accommodations, kitchen and dining facilities, meeting rooms, staff offices, other recreation areas and athletic course. The HUD 108 loan funds were to be used for the purchase of materials and supplies related to the construction of the lodge. Camp Hope, Inc leased the land from the City of San Diego under a non-profit flat rate lease.

In June 2004, the HUD 108 Loan Funds were drawdown but not disbursed to the project. Due to a delay in the issuance of site development permits, environmental issues, and lack of additional funding, the project was placed on hold. In September 2010, the City of San Diego received written notice from the Camp Hope Inc, stating that the agency was terminating the lease. Presently, the City of San Diego seeks to cancel the originally proposed project, Camp Hope, and use the HUD 108 Loan Funds for a 'new project', the Green Build Barrio Logan Program [GBBL].

II. NEW PROJECT (PROGRAM) DESCRIPTION

GBBL is a property rehabilitation program for 15 owner occupied single-family dwellings located in CDBG eligible census tracts. The program is a sustainable approach to housing rehabilitation whereby green building methods are used, as well as durable, non-toxic and/or renewable construction materials. The program is designed to provide comprehensive property rehabilitation improvements in several ways: 1) Interior rehabilitation focusing on health and safety issues, energy efficiency and water conservation; 2) Exterior rehabilitation focusing on roof replacements, the prevention of fire hazards, addressing deferred maintenance and improving water conservation landscaping techniques; 3) Public right-of-way improvements such as tree planting in front of the property.

The program activities are proposed to be performed by three 501 (c) (3) non-profit agencies with established track records in housing rehabilitation services and experience in working with low-income households. The agencies proposed to work in this program are: Urban Corps of San Diego County, a Certified Community Conservations Corps agency that provides youth corps members and program participants with education and job training skills to increase their employability in the green technology sector, as well as the opportunity to earn their high school diploma; GRID Alternatives, the Statewide Program Manager for the Single-family Affordable Solar Homes Program [SASH] on behalf of California Public Utilities Commission (CPUC) (The SASH Program offers rate payer funds and incentives on photovoltaic solar systems to low-income homeowners in San Diego Gas and Electric service area); and the Environmental Health Coalition, an agency that has taken a leadership role in childhood lead poisoning prevention and education of high risk communities about lead poisoning hazards, prevention and abatement.

The re-assignment of the HUD 108 Loan Funds from the Camp Hope project to the GBBL project, will enable the City of San Diego to provide substantial and comprehensive housing rehabilitation services free of charge to 15 low-income households, improve the quality of the housing stock in low income areas, and to improve energy efficiency and reduce water consumption in housing units occupied by low income individuals. As part of the qualification process, area residents are required to meet HUD's low-moderate income criteria and the properties must be located in CDBG census tracts.

III. SOURCES AND USES OF FUNDS

<u>SOURCES</u>		<u>USES</u>	
HUD 108 Loan Proceeds	\$280,000	Labor and materials	\$276,000
		Loan Issuance Costs	\$ 4,000
In kind Urban Corps	\$ 28,900	Materials/trees	\$ 28,900
In kind-SASH Incentive/Grid	<u>\$255,000</u>	Solar equipment, system design & installation costs	<u>\$255,000</u>
<u>TOTAL</u>	<u>\$563,900</u>	<u>TOTAL</u>	<u>\$563,900</u>

IV. PROGRAM STRUCTURE AND PARTICIPANTS

The City of San Diego will allocate the HUD 108 funds to the Urban Corps of San Diego County and enter into a sub-recipient agreement, identifying Urban Corps as the lead agency to all the program activities. Urban Corps proposes to enter into sub-contractor agreements with Grid Alternatives, an organization that specializes in renewable energy solutions for low-income individuals and the Environmental Health Coalition, an organization that works to improve the health of children, families, neighborhoods and the natural environment through social justice advocacy.

V. PROPOSED REPAYMENT SCHEDULE AND SOURCE(S)

This Section 108 debt service repayment is currently being made solely from the City's CDBG annual entitlement. A 10 year amortization schedule (principal and interest) is in effect, that has a remaining balance of \$107,082. The loan will mature in August 2015.

VI. SECURITY/COLLATERAL

The City is prepared to secure the loan with the placement of a Deed of Trust or Memorandum of Lien against a City-owned asset. Specifically, the City owned asset offered as collateral is the property and improvements located at 3003 Coronado Avenue, San Diego, CA 92154, also identified as the Otay Mesa/Nestor Branch Library. The property was recently renovated with a \$4.9 million, 15,000 SF expansion project.

VII. PROGRAM IMPLEMENTATION

A limited version of this program has been implemented by the agencies in other areas of the City. The Section 108 loan funds will augment the scope of rehabilitation work and will focus efforts in a low-moderate area.

Proposed Schedule:

<u>ACTIVITY</u>	<u>COMPLETION DATE</u>
City Council approval	December 2011
HUD approval of amended loan application	February 2012
Implementation of the program	March 2012
Completion of the program	June 2012

VIII. ELEGIBILITY OF PROGRAM

The proposed program meets the benefit to low-moderate income persons in the Housing Activities category pursuant to 24 CFR Section 570.208(a) (3).

IX. NATIONAL OBJECTIVES

The proposed program meets two National Objectives pursuant to 24 CFR Section 570.208(a) (3) Housing Activities and 24 CFR Section 570.208(a) (1) Area Benefit Activities.

X. PUBLIC BENEFIT STANDARD

The proposed program advances a community development objective by providing home rehabilitation services to 15 low and moderate income households. The program also helps the City to maintain and/or improve the quality of existing housing stock in low-moderate areas. It also helps to reverse the deterioration rate of older homes, eliminate blight, and upgrade homes with energy efficient systems. The installation of solar energy systems and water conservation upgrades translates into a long term reduction of monthly utilities expenses for each of these low-moderate households assisted.

XI. CONTACT INFORMATION

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